COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

FISCAL NOTE

<u>L.R. No.</u>: 2057-01 <u>Bill No.</u>: HB 845

Subject: Consumer Protection, Public Safety

Type: Original Date: March 2, 2001

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | | |
|--|---------|---------|---------|--|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 | |
| General Revenue | \$0 | \$0 | \$0 | |
| | | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | \$0 | \$0 | \$0 | |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | | |
|--|---------|---------|---------|--|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 | |
| None | | | | |
| | | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 | |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | | |
|-------------------------------------|---------|---------|---------|--|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 | |
| Local Government | \$0 | \$0 | \$0 | |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

In response to identical legislation from this year, officials from the **Department of Public Safety - Division of Fire Safety (DFS)** stated that they would be responsible for issuing permits to hay ride enterprises. The DFS estimates that they would charge a fee of \$15 for each permit issued and would verify documentation submitted by the hay ride enterprises which includes a general liability insurance policy of not less than one million dollars per insured or a bond in the same amount of such persons policy.

The DFS stated that after considerable research, they are unable to determine how may hay ride enterprises operate in Missouri, and therefore, assume the fiscal impact of the legislation is unknown at this time.

Officials from the **Office of the State Public Defender** assumes that existing staff could provide representation for those few cases arising where indigent persons were charged with unlawful operations of hayrides. However, passage of more than one similar bill would require the State Public Defender System to request increased appropriations to cover cumulative cost of representing the indigent accused in the additional cases.

Officials from the **Office of the State Courts Administrator** assume this proposal will not fiscally impact their agency.

In response to identical legislation from this year, officials from the **Department of Corrections** and the **Office of Prosecution Services** assumed this proposal will not fiscally impact their respective agencies.

Oversight assumes that the Division of Fire Safety, within the Department of Public Safety, would charge and collect permit fees to cover their costs. Since the number of hay ride enterprises operating in Missouri is unknown, Oversight assumes the permit fee revenue and the costs associated with their issuance are both unknown amounts, but would roughly offset each other in any given fiscal year.

| FISCAL IMPACT - State Government | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
|---|---------------------|-----------|-----------|
| GENERAL REVENUE | (=====,) | | |
| Income - Division of Fire Safety Permit Fees for Hay Ride Enterprises | Unknown | Unknown | Unknown |
| Expenses - Division of Fire Safety Cost of issuance of permits | (Unknown) | (Unknown) | (Unknown) |

RAS:LR:OD (12/00)

| FISCAL IMPACT - State Government | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
|---|---------------------|---------|---------|
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | \$0 | \$0 | \$0 |
| FISCAL IMPACT - Local Government | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
| | \$0 | \$0 | \$0 |

FISCAL IMPACT - Small Business

A direct fiscal impact to small businesses that are considered hay ride enterprises would be expected as a result of this proposal, since they must now possess a \$1 million general liability insurance policy, a \$1 million bond, or cash or other surety acceptable to the Department of Public Safety to obtain a permit to operate their hay ride business in Missouri.

DESCRIPTION

This proposal regulates individuals who provide amusement hay rides. A "hay ride" is defined as a transport of people by an animal, tractor, trailer, or other vehicle for the purpose of amusement or pleasure. This term does not include trams used for transporting persons to a specific location or attraction. A "hay ride enterprise" is defined as operating hay rides more than twice a year for a fee.

The operation of a hay ride enterprise is prohibited unless the owner provides the Department of Public Safety with proof of:

- 1. A permit issued by the Department and affixed to the hay ride equipment;
- 2. A general liability insurance policy of not less than one million per incident, or a bond in the same dollar amount, or cash or other acceptable surety; and
- 3. Proof of liability insurance on the animal, tractor, trailer, or other vehicle used to operate the hay ride enterprise.

DESCRIPTION (continued)

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Any person who knowingly violates this act will be guilty of a Class B misdemeanor. Any person who pleads guilty or is found guilty will be presumed negligent, but may rebut the presumption.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety - Division of Fire Safety Office of Prosecution Services Office of the State Courts Administrator Office of the State Public Defender Department of Corrections

Jeanne Jarrett, CPA

Director

March 2, 2001